America Becomes a Two-Class Society

by Phyllis Schlafly April 16, 2010

Income tax day, April 15, 2010, now divides Americans into two almost equal classes: those who pay for the services provided by government and the freeloaders. The percentage of Americans who will pay no federal income taxes at all for 2009 has risen to 47 percent.

That isn't the worst of it. The bottom 40 percent not only pay no income tax, but the government sends them cash or benefits financed by the taxes dutifully paid by those who do pay income tax.

The outright cash handouts include the Earned Income Tax Credit (EITC), which can amount to as much as $5,657 a year to low-income families. Other financial benefits can include child tax credits, welfare, food stamps, WIC (Women, Infants, Children), housing subsidies, unemployment benefits, Medicaid, S-CHIP, and other programs.

This is both a massive transfer of wealth and a soak-the-rich racket. The top 10 percent pay 73 percent of the income taxes collected by the federal government.

Rep Paul Ryan (R-WI) has become the congressional leader in explaining details of the recently passed Health Control Law. He says that, based on Congressional Budget Office figures, taxes to pay for Obamacare will have to skyrocket to an 88 percent income tax rate within 30 years.

Although all wage-earners help fund their own Social Security and Medicare benefits, only federal income taxpayers pay the costs of running the federal government, and are responsible for paying off our $12.8 trillion national debt and

for bailing out Social Security, Medicare, and Fannie and Freddie when they collapse.

Even the recently passed Health Control Law contains financial subsidies to unmarried couples that are denied to married couples. This rewards the unmarried women who were the second largest demographic constituency that voted for Obama for President in 2008.

When Obama told Joe the Plumber he wanted to "spread the wealth around," Obama wasn't kidding. That's exactly what he is now doing: taking money from taxpayers and spreading it around to non-taxpayers.

Nor was Obama kidding when, on the eve of his election, he threatened, "We are going to fundamentally transform the United States of America." Converting the earnings of American workers into handouts for those who voted for Obama in 2008 is certainly a fundamental transformation.

Obama's promise not to raise taxes on Middle Americans is already down the drain. Obama brought former Federal Reserve Board Chairman Paul Volcker out of obscurity to serve as chairman of an Economic Recovery Advisory Board and announce that we need to raise taxes.

Volcker was blunt in predicting that the new tax increase will be a Value Added Tax (VAT). That's the tax European Socialists love because its rates can be hidden and frequently raised, while producing rivers of revenue for the bureaucrats.

Volcker claimed that a VAT is "not a toxic idea." It really is; Charles Krauthammer called it "the ultimate cash cow" because it transfers so much money from individuals to the government.

Having already co-opted the executive and legislative branches of government for his fundamental transformation, Obama now wants to use the judiciary, too. The retirement of Supreme Court Justice John Paul Stevens gives him this opportunity.

On January 18, 2001 on Public Radio WBEZ-FM, Chicago, Obama complained that the Earl Warren Court "wasn't that radical" because "It didn't break free from the essential constraints placed by the Founding Fathers in the Constitution. . . . The Supreme Court never ventured into the issues of redistribution of wealth and serve more basic issues of political and economic justice in this society."

Calling for the Supreme Court to participate in the "redistribution of wealth" is shockingly revolutionary. Any judicial nominee who agrees with Obama's theory should be rejected.

Obama's game plan to "fundamentally transform" America is based on both Saul Alinsky's modus operandi for community organizing and on the Cloward-Piven spending strategy. Saul Alinsky was a famous Chicago radical, and Richard Cloward and Frances Fox Piven were less-well-known Columbia University sociologists.

The goal of all three of these agitators was the overthrow of the private enterprise system. The Alinsky strategy is to use community organizing and mass demonstrations by those he labeled the "Have Nots," and the Cloward-Piven strategy is to overload the bureaucracy with enormous demands for entitlements, thereby causing a financial crisis.

Obama used Alinsky methods by taxpayer financing of ACORN and sub-prime mortgages. Obama used Cloward-Piven methods by massive deficit spending for entitlements for more and more millions of people.

Fortunately, hard-working, taxpaying Americans are beginning to understand how they are being ripped off and rushed into bankruptcy. The one way to save ourselves and our country is to elect a Congress in November pledged to stop the spending.